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House of Representatives

The House met at 2 p.m. and was called to order by the Speaker pro tempore (Mr. YODER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 8, 2011.

I hereby appoint the Honorable KEVIN YODER to act as Speaker pro tempore on this day.

JOHN A. BOEHNER,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 5, 2011, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 1 hour and each Member other than the majority and minority leaders and the minority whip limited to 5 minutes each, but in no event shall debate continue beyond 3:50 p.m.

MEDICARE FRAUD

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

Mr. STEARNS. Mr. Speaker, last week, as chairman of the Oversight and Investigations Subcommittee of Energy and Commerce, I held a hearing on the problem of Medicare fraud. This is not a new issue. It has been a continuing problem with Medicare, and I have been concerned about Medicare fraud for some time here. Last Congress, I introduced a bill to increase the civil and criminal penalties on those who defraud the Medicare program.

In fact, in 1990, the Government Accountability Office, GAO, listed both Medicare and Medicaid as high risk because these programs are vulnerable to waste, fraud, abuse, and mismanagement. Now, how badly mismanaged are we talking about? Well, the GAO recently issued a report that there was $48 billion just in improper payments. This isn't fraud. This is just improper payments. So when it comes to fraud, it is estimated anywhere from $60 billion to $90 billion is lost to Medicare fraud every year.

During this hearing, I asked the Director of Medicare Program Integrity, whose job it is to protect Medicare against fraud and abuse, if he knew how much money is lost to fraud in Medicare. He could not answer this question. The following week, Secretary Sebelius was asked in a Health Subcommittee hearing if she knew how much money was lost to fraud in Medicare. Her answer: ''If we knew how big it was, we'd hopefully shut it down.''

But in my hearing, Special Agent Omar Perez, the head of the Medicare Fraud Strike Force in the Miami region of Florida for the Office of the Inspector General, testified he was able to find $3.8 billion in Medicare fraud. My colleagues, this is one city. If extrapolated across 50 States, with almost 20,000 municipalities, you can see how we could get to $60 billion to $90 billion in fraud. According to the Inspector General, Medicare fraud is more lucrative than the drug trade, with easy money, less violence, and lighter punishments. And organized crime is taking notice and getting involved in defrauding Medicare.

So here are five reform ideas that came out of this hearing that were mentioned to help secure Medicare against criminals engaged in defrauding the program.

First, Medicare needs to maintain better control over their provider network. It is easy for a company to do business with Medicare, and the burden is on the government to remove a company from the Medicare program. This needs to change to allow the government to remove bad actors from the program quickly and efficiently.

Secondly, Medicare needs to significantly improve their provider and supplier screening process. While individuals have a right to Medicare, companies do not have a right to become or stay a Medicare provider.

Third, Medicare needs to shift away from a fee-for-service program. A capitated managed care organization provides a strong financial incentive to the managed care organization to eliminate fraud and abuse. It is the managed care plan that has the financial risk and not the United States Federal Government when criminals perform fraud. Managed care organizations present their own set of challenges but need to be considered when discussing reforms to eliminate fraud in Medicare.

And fourth, Medicare needs to increase the role of physicians in detecting and preventing fraud themselves. Medicare providers and suppliers must use a doctor's prescription to obtain government reimbursement. Bad actors forge these documents. Previously, the GAO has recommended that Medicare require that physicians receive a statement of Medicare home health services that their patients receive so they can review the documents. This will allow them to look at it carefully and detect any potential misuse of their authorizations.

And lastly, Medicare needs to use predictive computer modeling and other technologies. The credit card industry uses this modeling to identify potentially fraudulent transactions. Medicare and Medicaid should adopt this style of analysis to prevent fraudulent claims.

Mr. Speaker, these are five simple ideas to empower the Medicare program to stop the fraud in this system,